

Soo Line Railroad Company



Soo Line Building
Box 530
Minneapolis, Minnesota 55440
(612) 332-1261

11223

RECORDATION NO. Filed 1425

DEC 20 1979 -10 25 AM December 18, 1979

CHARLES H. CLAY
Executive Vice President

INTERSTATE COMMERCE COMMISSION

Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No. **9-354A024**
Date **DEC 20 1979**
Fee \$ **50.00**
ICC Washington, D. C.

Re: Bailment Agreement - Soo Line Railroad

Dear Ms. Mergenovich:

There are transmitted to you herewith for recording under Section 11303 of the Interstate Commerce Act three executed counterparts of Bailment Agreement dated as of December 6, 1979.

Pursuant to Section 1116.1 et seq. of the Rules and Regulations adopted by the Commission, as amended, the following information is shown:

Bailor is Pullman Standard, Division of Pullman Incorporated, 200 South Michigan Avenue, Chicago, Illinois 60604.

Bailee is Soo Line Railroad Company, 800 Soo Line Building, Minneapolis, Minnesota 55440.

Guarantor is Soo Line Railroad Company, 800 Soo Line Building, Minneapolis, Minnesota 55440.

A general description of the equipment covered by the Bailment Agreement is as follows:

<u>No. of Units</u>	<u>Description of Equipment</u>	<u>Name of Builder</u>
175	100-ton 4750 cu. ft. covered hopper cars with roller bearings. Soo Line road numbers 75184 to 75358, both inclusive. Estimated cost \$37,125 each, including freight charges.	Pullman Standard (Division of Pullman Inc.)

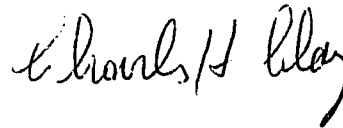
The identifying marks of the equipment listed above are the trade name "Soo Line" or "Soo", together with the numbers shown above.

There is also transmitted this Company's voucher in the amount of \$50.00 which is the recording fee required by Section 1116.3(d):

Bailment Agreement dated as of December 6,
1979 \$50.00

This letter of transmittal is signed by an executive officer of this Company having knowledge of the matters set forth therein and the original documents bearing recording data should be returned to him.

Yours truly,

A handwritten signature in cursive script, appearing to read "Charles H. Day".

CHC/sjp
Enclosures

United States Department of Transportation
Washington, D.C. 20430

OFFICE OF THE SECRETARY

Charles H. Clay
Executive Vice President
Soo Line Railroad Company
Box 530
Minneapolis, Minnesota 55440

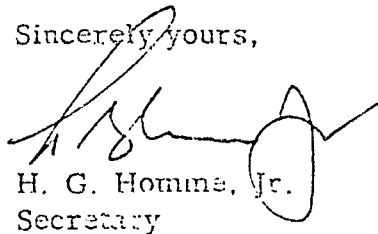
Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/20/79 at 10:35AM, and assigned coordination number(s).

11223

Sincerely yours,



H. G. Homms, Jr.
Secretary

Enclosure(s)

58-70
(3/79)

DEC 20 1979 - 10 35 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of December 6, 1979, by and between PULLMAN STANDARD DIVISION OF PULLMAN INCORPORATED, of Chicago, Illinois (hereinafter called the "Manufacturer"), and SOO LINE RAILROAD COMPANY, a Minnesota corporation (hereinafter called the "Vendee"),

WITNESSETH:

The Manufacturer and the Vendee have heretofore entered into the Purchase Agreement (hereinafter called the "Purchase Agreement") referred to in Section 1 of Schedule A hereto attached (hereinafter called "Schedule A") whereunder the Manufacturer has agreed to construct and deliver to the Vendee at the delivery point specified in Section 2 of Schedule A and the Vendee has agreed to accept and pay for the Railroad Equipment (hereinafter called the "Cars") described in Section 3 of Schedule A; and

Inasmuch as the Vendee has not as yet consummated financing arrangements for the acquisition of the Cars, it is not in a position to accept delivery of and pay for the Cars under the terms of the Purchase Agreement at this time. The Vendee represents that financing arrangements will be consummated on or before March 1, 1980. The Vendee (in order that it may use the Cars pending completion of the above financing arrangements) has requested the Manufacturer to give the Vendee temporary custody and possession of the Cars on their completion, solely as a bailee of the Cars, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the premises and of the promises of the parties herein contained, the parties agree as follows:

1. The Manufacturer agrees to deliver the Cars to the Vendee and the Vendee agrees to accept the Cars from the Manufacturer at the delivery point above referred to. The rights of the Vendee hereunder in respect of each Car shall commence on the date of acceptance of such Car and end on the earlier of March 1, 1980, or the date of payment of the purchase price of such Cars under the above financing arrangements. When the purchase price of all the Cars has been paid this Agreement shall automatically be terminated without further action by or notice to any party concerned. On delivery of each Car to the Vendee the Vendee will assume the responsibility and risk of loss with respect to such Car.

2. After the Vendee's representative finds that each Car upon completion has been built in accordance with

the requirements of the Purchase Agreement, he will execute and deliver to the Manufacturer a certificate of inspection certifying to that effect. Upon delivery of each Car to the delivery point, the Vendee's representative will execute a certificate of acceptance acknowledging the receipt of delivery of each Car under this Agreement. Title to the Cars shall remain in the Manufacturer; and the Vendee's right and interest therein is and shall be solely that of possession, custody, and use as bailee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. The Vendee shall do such acts as may be required by law, or reasonably requested by the Manufacturer, for the protection of the Manufacturer's title to and interest in the Cars.

3. The Vendee agrees to purchase from Manufacturer and Manufacturer agrees to sell to the Vendee the Cars on or before the termination of this Agreement, as hereinafter provided, upon the giving of one (1) week's written notice by the Vendee to Manufacturer; provided, however, title to the Cars is free and clear of all liens, encumbrances or charges of any nature or description, except taxes not yet due and payable and otherwise free from valid objections. Until such purchase, the Vendee agrees to pay in respect of each Car an amount which is equivalent to the product of the purchase price of such Car, as set forth in Section 4 of Schedule A, multiplied by the rate or rates of interest per annum set forth in Section 5 of Schedule A, for the period specified in said Section 5 of Schedule A. Such amount shall be due and payable to the Manufacturer in cash upon the termination of this Agreement as to such Car.

4. The Vendee agrees that it will permit no liens of any kind to attach to the Cars; and that it will

(a) indemnify and save harmless the Manufacturer from any and all claims, expenses, or liabilities of whatsoever kind; and

(b) pay any and all taxes, fines, charges, and penalties

that may accrue or be assessed or imposed upon the Cars or the Manufacturer because of its ownership or because of the use, marking, operation, management or handling of the Cars by the Vendee during the term of this Agreement. The Vendee's obligations contained in this paragraph shall survive the termination of this Agreement by mutual agreement or otherwise.

5. The Vendee will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to

Manufacturer the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term of this Agreement. Upon the expiration or other termination of this Agreement the Vendee will surrender and deliver up the Cars in good order and running condition to the Manufacturer free of all charges at the point designated by the Manufacturer.

6. Prior to the delivery of each Car to the Vendee it will be numbered with a car number as set forth in Section 3 of Schedule A, and there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Car in letters not less than one inch in height the words set forth in Section 6 of Schedule A.

7. (a) All or any of the rights, benefits, or advantages of the Manufacturer, including the right to receive the purchase price of the Cars as provided in the Purchase Agreement, may be assigned by Manufacturer and re-assigned by any Assignee at any time or from time to time, provided, however, that no such assignment shall subject any such assignee to any of Manufacturer's guarantees, warranties, indemnities, or any other obligations contained in this Agreement or in the Purchase Agreement relating to the Cars. In the event Manufacturer assigns its rights to receive the payments herein and/or under the Purchase Agreement, and the Vendee receives written notice thereof from the Manufacturer, together with a counterpart of such assignment stating the identity and the post office address of the assignee, all payments thereafter to be made by the Vendee under this Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefor in form satisfactory to the Vendee.

(b) In the event of any assignment by the Manufacturer of its rights to receive any payments under this Agreement and/or under the Purchase Agreement, the rights of such assignee to such payments as may be assigned together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim, or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer in respect to the Cars or arising by reason of any other indebtedness or liability at any time owing to the Vendee by the Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee, its successors and assigns only against the Manufacturer and its successors and assigns (other than assignees as such of rights, benefits or advantages assigned pursuant to this Agreement).

3. The Vendee agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to the Vendee of the Cars, as contemplated by this Agreement, shall not relieve the Vendee

of its obligations to accept, take and pay for the Cars in accordance with the terms of the Purchase Agreement, or impair any of the Manufacturer's rights under the Purchase Agreement, which is by reference made a part of this Agreement as fully as though expressly set forth herein.

PULLMAN STANDARD
(Division of Pullman Incorporated)

By R C Symon
Vice President-Freight Unit

ATTEST:

Margaret M. Keenan
Assistant Secretary

SOO LINE RAILROAD COMPANY

By Donald W. Bailey
President

ATTEST:

Glenn R. Holmes
Secretary

STATE OF Illinois)
COUNTY OF Cook) SS

On this 11th day of December, 1979, before me personally appeared R. C. Snyder to me personally known, who being by me duly sworn, says that he is Vice President - Freight Unit of Pullman Standard (Division of Pullman Incorporated), that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

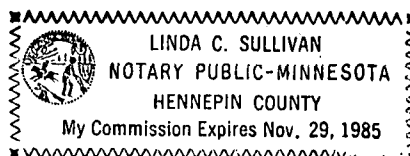
James H. Reiter

MY COMMISSION EXPIRES
August 7, 1983

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS

On this 6th day of December, 1979, before me personally appeared Thomas M. Beckley to me personally known, who being by me duly sworn, says that he is PRESIDENT of Soo Line Railroad Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Linda C. Sullivan



SCHEDULE A

SECTION 1.

Purchase Agreement

The Purchase Agreement of the Manufacturer and Vendee consists of the following:

1. Invitation for Proposal dated June 19, 1978 sent by Soo Line Railroad Company to Pullman Standard.
2. Soo Line Railroad Company General Description of 100-Ton covered Hopper Cars.
3. Letter of July 21, 1978, from Pullman Standard by Mr. Hugh W. Foster, Senior Vice President, Marketing, to Mr. Charles H. Clay, Executive Vice President, Soo Line Railroad Company, offering to provide 200 100-ton lined covered hopper cars.
4. Pullman Standard's General Specification No. 3858 for 100-ton, 4750 cu. ft. covered hopper car consisting of pages 1 through 22, both inclusive.
5. Pullman Standard General Arrangement Plan SK-C-7625, dated 8/17/76, revised as of 2/28/78.
6. Letter of July 25, 1978 from Pullman Standard by Hugh W. Foster, to Charles H. Clay, Executive Vice President Soo Line Railroad Company, correcting page 1 of its proposal.
7. Letter of August 15, 1978, from Mr. Charles H. Clay, Executive Vice President, Soo Line Railroad Company, to Mr. Hugh W. Foster, Senior Vice President, Marketing, Pullman Standard, accepting letter proposal of July 21, 1978, as modified on July 25, 1978.

SECTION 2.

Delivery Point

Schiller Park, Illinois, or other point designated by Vendee.

SECTION 3.

Railroad Equipment

175 100-ton 4750 cu. ft. capacity covered hopper cars, bearing Soo Line road numbers 75184 to 75358, all numbers inclusive.

SECTION 4.

Purchase Price

\$37,125 each car, F.O.T. Butler, Pennsylvania. The Purchase Price is subject to adjustment in accordance with the Purchase Agreement.

SECTION 5.

Interest and Payment Period

Interest will be charged at a rate equal to 115% of the prime rate, as quoted by the Continental Illinois National Bank and Trust Company of Chicago, Illinois, as of the date 11 days after the date Manufacturer mails its invoice to Vendee for the purchase price of the cars covered hereunder. Interest payments shall end one day prior to the day payment of the purchase price is made for all the cars, which will be a date no later than March 1, 1980.

SECTION 6.

Markings on Cars

OWNED BY A BANK OR TRUST COMPANY UNDER A SECURITY AGREEMENT
FILED UNDER THE INTERSTATE COMMERCE ACT, SECTION 20c.